

## Message Text

LIMITED OFFICIAL USE

PAGE 01 DACCA 02896 270937Z

ACTION NEA-10

INFO OCT-01 ISO-00 OPIC-03 EB-07 COME-00 TRSE-00 OMB-01

AID-05 IGA-02 /029 W

-----270943Z 076626 /21

P 270903Z MAY 77

FM AMEMBASSY DACCA

TO SECSTATE WASHDC PRIORITY 4824

LIMITED OFFICIAL USE DACCA 2896

E.O. 11652: N/A

TAGS: EINV, EFIN, OPIC, BG

SUBJECT: BELBAGCO, OPIC'S CLAIM, AND PROPOSALS FOR AN LNG PLANT  
IN BANGLADESH

REF: A. DACCA 2892, B. DACCA MEMCON #71 MAY 2, 1977

1. ALFRED M. LERNER, DONALD L. WHITLEY, EDWARD L. STANLEY AND WILLIAM A. HARRIS OF INTERNATIONAL SYSTEMS AND CONTROLS (ISC) ARRIVED IN DACCA ON MONDAY, MAY 23, 1977, TO DISCUSS WITH BANGLADESH OFFICIALS ISC'S PLANS FOR LIQUIFIED NATURAL GAS (LNG) PRODUCTION (SEE REF (B) AND PREVIOUS) AND A SEPARATE PROPOSAL FOR FOOD GRAIN STORAGE FACILITIES IN BANGLADESH. ON MAY 26 THE ISC OFFICIALS MET WITH AMBASSADOR, ECONOMIC COUNSELOR AND ECONOMIC OFFICER. MR. LERNER, THE SENIOR OF THE ISC OFFICIALS PRESENT, STATED THAT ISC WOULD NOT ENTER INTO ANY VENTURE IN BANGLADESH WITHOUT OPIC INSURANCE AND GUARANTEES. HE AND THE OTHER ISC OFFICIALS HAD SAID THIS TO BDG OFFICIALS IN THEIR EARLIER DISCUSSIONS IN DACCA. ISC'E LNG PROPOSAL MAY COST BETWEEN \$800 AND \$1,000 MILLION.

2. MR. LERNER SAID THAT SEVERAL ISC OFFICIALS HAD TALKED WITH OPIC PERSONNEL IN WASHINGTON. THERE THEY LEARNED THAT OPIC WAS REFUSING TO DO BUSINESS IN BANGLADESH PENDING THE RESOLUTION OF THE BELBAGCO CLAIM.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 DACCA 02896 270937Z

THIS CLAIM HAD BEEN VALUED ORIGINALLY AT \$1.8 MILLION, THEY WERE INFORMED, BUT NOW OPIC WAS SEEKING AROUND \$1.0 MILLION.

3. THE ISC OFFICIALS STATED THAT, IN DISCUSSIONS OF ISC'S INVESTMENT PLANS, BANGLADESHI OFFICIALS HAD SOUNDED HOPEFUL ABOUT THE PROSPECTS FOR AN EARLY

RESOLUTION OF THE BELBAGCO ISSUE. THIS THE ISC  
POSITION HAS BROUGHT THE BELBAGCO NATIONALIZATION  
CLAIM TO THE ATTENTION OF A NUMBER OF SENIOR BDG  
OFFICIALS.

4. COMMENT: WE HAVE HEARD SUCH STATEMENTS BEFORE  
FROM THE BDG, MOST RECENTLY IN CONNECTION WITH A PRO-  
POSED VINNELL CORPORATION PROJECT (SEE DACCA 0525).  
NEVERTHELESS IT APPEARS TO BE AN OPPORTUNE MOMENT FOR  
PROMPT ACTION ON OPIC'S PART TO COMPLETE ITS STUDY OF  
THE BDG AUDITED STATEMENTS AND TO SEND AN OFFICER TO  
DACCA TO NEGOTIATE A FINAL PRICE.

5. ALSO, ARE THE FIGURES GIVEN BY ISC IN PARAGRAPH  
TWO ABOVE ACCURATE MEASURES OF OPIC'S ASSESSMENT OF  
THE BELBAGCO CLAIM?  
MASTERS

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, NATURAL GAS, NATIONALIZATION, CLAIMS, COMPENSATION, INVESTMENT GUARANTEES, INDUSTRIAL PLANTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 27-May-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977DACCA02896  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770189-1307  
**Format:** TEL  
**From:** DACCA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770511/aaaaaizs.tel  
**Line Count:** 79  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** fa9d6088-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 DACCA 2892, 77 DACCA 71  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 22-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2342543  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BELBAGCO, OPIC'S CLAIM, AND PROPOSALS FOR AN LNG PLANT IN BANGLADESH  
**TAGS:** EINV, EFIN, ENRG, BTRA, US, BG, OPIC, BELBAGCO, ISC, INTERNATIONAL SYSTEMS & CONTROLS, (LERNER, ALFRED M), (WHITLEY, DONALD L), (STANLEY, EDWARD L), (H ARRIS, WILLIAM A)  
**To:** STATE  
**Type:** TE  
**vdkgvkey:** odb://SAS/SAS.dbo.SAS\_Docs/fa9d6088-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

